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T O W N O F P A R A D I S E

GENERAL PLAN HOUSING ELEMENT

(REVISED JUNE 4, 1985)

ADOPTED BY RESOLUTION NO. 85-26

HOUSING

STATE HOUSING GOAL

"The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for each California family is a priority of the highest order."

PARADISE HOUSING GOALS

Secure housing stock large and varied enough to provide Paradise residents of all ages, races, incomes and family sizes with housing which is safe, sound, sanitary and weather-tight and which has adequate space, light, heat ventilation, plumbing, and cooking facilities.

Achieve living environments which do not endanger the health, safety and well-being of Paradise residents and which provide adequate privacy, quiet, security, and visual quality.

Housing fulfills a central role and need of society. It not only fulfills the basic needs of security, space and privacy, but is important in our social structure, economic system and development patterns, providing a sense of place a social identity. The early attainment of these goals requires the cooperative participation of both the public and the private sector, the coordination of efforts by all levels of government and, most importantly, recognition by cities and counties of their responsibility to use their legally-vested powers to help fulfill local and regional housing needs.

6.1 HOUSING DEMAND

6.11 Population Growth

An analysis of Paradise's housing needs must first assess the recent population increases in the Paradise area and estimate future growth. In Table VI-1, population estimates based on census figures are presented by every census year from 1930 for the current Town boundaries and for the entire Eden Ridge market area. Projections of recent growth trends result in the estimates shown for 1985 and 1992 (See also the discussion of population characteristics within demography portion of Community Development section).

All population figures are estimates developed by the staff from results of complete censuses. The 1975 estimates are from the special census sponsored by Butte County and conducted by the

State Finance Department. All other estimates are from Federal Censuses. The 1980 data are based on the Federal census. Population estimates for 1981-1983 are from the State Finance Department.

The Paradise "market area" used below includes Lime Saddle, Magalia, Paradise Pines, DeSabla, Lovelock, Stirling City and Inskip, but does not include Butte Creek Canyon, Forest Ranch, Butte Meadows, Concow, Yankee Hill, Pentz, or Butte College. Totals for the 1930, 1940, and 1950 censuses were reported for the Kimshew Judicial Township. Totals for the 1960, 1970, and 1980 Censuses were reported for the "Paradise High School District".

As used here, the Paradise "Town area" is the area within the boundaries of the Town of Paradise at the time of incorporation, November, 1979. Federal census reports did not designate an "unincorporated place" of Paradise until the 1960 census. The 1960 boundaries excluded much of the southeastern portion of the urban area. The 1970 boundaries for the Paradise "unincorporated place" excluded some small portions of the urban areas, but included portions of the Lime Saddle and Magalia areas outside incorporation boundaries. The 1975 special census reported totals for the Paradise Irrigation District, an area slightly smaller than incorporation boundaries. The 1980 census figures are the first totals reported by the actual boundaries of the Town of Paradise.

The rapid growth of Paradise is shown even more clearly when compared to regional and State figures. While Butte County and the State of California grew about 76% and 50% respectively during the 1960-1980 period, the population within the Town of Paradise grew 137% and the population of the entire market area increased 174%.

The estimates for 1985 and 1992 are a result of comparisons of several types of mathematical projections of past figures with estimates of holding capacities at various densities. Future estimates are based on assumptions that future growth will reflect recent local legislation concerning sewage discharge into septic systems. Because Paradise has no centralized sewer system, but uses on-site septic systems the State Regional Quality Control Board has required that growth be controlled more stringently. This led to the adoption of an ordinance which has the effect of limiting growth to approximately 70 to 75 percent of the projections of 1982. If a low interest rate market prevails for the next eight years, in combination with other factors associated with housing construction, large portions of

the Town will be close to build-out under restrictions of this new sewage disposal ordinance.

Table VI-1

POPULATION GROWTH OF THE PARADISE AREA

Census Year	Market Area Population	Increase	Town Area Population	Increase
1930	2,000	---	----	----
1940	3,600	80%	----	----
1950	7,300	103%	----	----
1960	11,119	45%	9,750	
1970	16,912	52%	14,539	51%
1975	22,169	37%	19,239	35%
1980	28,500	27%	22,571	17%
1985	32,000	12%	24,464	08%
1989	36,000	12%	27,004	08%

6.12 Personal Characteristics

With a median age of about 47 in 1980, and 29.1% of the residents 65 years or more in age, the Town of Paradise has one of the oldest aged populations of cities in California, and certainly in Butte County. Age characteristics are presented in Table VI-2.

Two local trends appear to be significant from the data in Table VI-2. First, the proportion of adults in the "working ages" (18-64) increased significantly between 1970 and 1975 with the Town itself, a possible reflection of an increased proportion of services being provided locally. A smaller but significant increase in this age group occurred between 1975 and 1980. Also, the median age within the Town seems to be dropping due to increasing migrations of younger persons and child-bearing aged adults. The growing employment base of the now large populated area has been largely responsible. However, the median age and proportion of elderly in the entire market area has increased steadily, apparently accompanied by a relative drop in the younger ages. These figures indicate a significant difference between the Town's population and that of the remainder of the market area. This difference may be partially explained by the development and increasing occupancy of the Paradise Pines subdivisions since 1970 by almost exclusive retirement population and the closing of a lumber mill in Stirling City in 1974.

Table VI-2

GENERAL AGE CHARACTERISTICS

	Market Area				Town Area			
Year	0-17	18-64	65+	Median	0-17	18-64	65+	Median
1960	23.5%	50.9%	25.6%	48	22.8%	49.1%	28.1%	51
1970	23.3%	48.8%	27.9%	49.4	22.5%	47.4%	29.8%	51.3
1975	19.5%	50.5%	30.0%	50	21.0%	50.1%	29.9%	49
1980					20.0%	50.9%	29.1%	46.2

Very few Paradise residents would be classified as non-white in racial-ethnic background. Like many other communities in rural areas in northern California, the proportions of blacks, American Indians and the various Asian ethnic groups are very low. However, it is obvious from the figures in Table VI-3 that the "minority" population has grown considerably, from almost nothing in 1960 to over 2% in 1980. Most of the non-white population consists of American Indians, Japanese, Chinese, Filipinos, and Vietnamese.

Available information from the 1970 census also shows that Spanish-speaking persons and those with Spanish surnames together comprise only 2.4% of the population of the Town area.

Table VI-3

RACIAL CHARACTERISTICS

	Market Area			Town Area		
Year	White	Black	Other	White	Black	Other
1960	99.7%	0	.3%	99.8%	0	.2%
1970	99.1%	.1%	.8%	99.3%	.1%	.6%
1980	97.7%	.1%	2.2%	97.7%	.1%	2.2%

Individuals with various handicaps, disabilities or disorders often have specialized needs for certain types or designs of housing. According to statistical averages from other areas, it is very likely that Paradise has a relatively high proportion of

residents with such impairments because of high proportion of the elderly in the population. Unfortunately, accurate data on the prevalence of various handicaps is available for Butte County and the entire United States, but not for small areas such as Paradise. The Citizen's Attitude Survey did a sample of the proportion of citizens in the Town who were physically disabled. Based on the households polled, it is estimated that in 1980, 7% of the Town population could be classified as physically disabled.

The California Department of Rehabilitation estimated that 5.5% of Butte County residents aged 16 through 64 are afflicted with severe physical, mental or sensory disorders and thus classified as disabled. However, this estimate includes digestive disorders, speech impediments, hearing problems, and other disorders which normally do not require special housing facilities. Other available information on the prevalence of the handicapped in Paradise includes an estimate by the Disabled American Veterans that there are at least 3,000 (about 10%) such people in the Paradise market area.

The Town has not actively pursued requirements for single family or multi-family units to have provisions for handicapped individuals, as has been the case with public buildings (which follow Title 24). Such requirements for homes built for speculation appear to be excessively restrictive simply because the majority of home buyers or renters are not handicapped. Individuals constructing ramps or other devices for use in their own home are required to meet Town standards for construction of such devices.

Unlike many rural communities, Paradise does not have farmworker families, nor does it contain a substantial number of large families (the average family size is 2.3). Therefore, the Town does not provide special housing needs for these groups.

Female-headed households typically have a need for low-income housing. During the past three years the Town has approved 197 units solely designed for low-income occupants. These units, of course are available to those individuals with only one parent residing at home.

6.13 Household Size and Composition

The occupants of each housing unit, whether they are a family related by blood, marriage or adoption, or simply a group of unrelated individuals, are considered a separate household. The adequacy of the present housing stock and the required number and

size of future units are both determined in a large degree by the size and composition of households. The basic data for Paradise households is summarized in Table VI-4.

Table VI-4

HOUSEHOLD CHARACTERISTICS

	Market Area		Town Area	
Census Year	Average Size	Population in Group Quarters	Average Size	Population In Group Quarters
1960	2.54	1.39%	2.50	1.46%
1970	2.49	2.19%	2.44	1.96%
1975	2.34	2.16%	2.34	2.29%
1980	2.31	1.99%	2.31	2.27%
1983	--	---	2.41	2.24%

Paradise's average household size of 2.41 in 1983 is lower than the Butte County average of 2.67. This difference is consistent with the median age on the ridge and reflects the childless household characteristic of retired couples or individuals.

The data on marital status and family make-up from the 1980 Census shows the predominance of small elderly households in urban Paradise. Sixty-eight percent of all families in Paradise have no children living at home. An average individual's age of 47 indicates that the type of family in the Town tends to be elderly.

According to available data from the State Finance Department, household sizes are expected to continue to gradually decline in the next twenty years in most areas of California. This demographic trend reflects the increasing proportion of senior citizens in our society and may be accompanied by an increase in the number of persons residing in "rest homes", nursing facilities, and other group quarters. Information on these non-household living quarters is presented in the Housing Stock Analysis Section.

6.14 Income Levels

The housing needs described above become effective market demands if residents have adequate levels of income or other financial

support. In 1979, the median family income for Paradise was $14,765, with 7.8% of the families reporting incomes less than the Office of Economic Opportunity poverty levels. Sixty percent of families reported incomes of $12,499 or more. The most common $1,000 bracket was the $10,000-12,499 category. One interesting note is that 44.3% of all unrelated individuals had 1979 incomes less than the poverty level. This group would include many single retirees living in "rest homes" or other group quarters.

The source of income also affects the securing of decent housing because some types of income are relatively "fixed" and do not increase as fast as inflation of costs and prices. In 1979, 48.3% of Paradise families received Social Security payments, and 9.8% reported some type of welfare payments or other form of public assistance.

According to the 1980 Census, the median household incomes in Paradise was approximately $12,556. Butte County's median income was $13,012, $456 more than that of Paradise. The income levels are presented in the following table.

Table VI-5

PARADISE HOUSEHOLD INCOME LEVELS - 1979

Income Categories	Percentage of Households
$ 0- 2,499	4.2%
2,500- 4,999	9.8%
5,000- 7,499	11.2%
7,500- 9,999	12.2%
10,000-12,499	12.5%
12,500-14,999	9.4%
15,000-17,499	7.7%
17,500-19,999	6.8%
20,000 +	26.3%

Table VI-6

HOUSING NEEDED BY INCOME GROUPS--1992
($12,556 average household income-ahi)

Income Level		% of Pop.(Town)	% of Pop.(County)
Very Low	(50%/less ahi)	19.5	28
Other Low	(50-80% ahi)	17.8	16
Moderate	(80-120% ahi)	21.9	20
Above Moderate	(120%+ ahi)	40.8	36

(Data based on 1980 Census)

While Low and moderate income categories are very similar to the County-wide average, the Town has fewer Very Low and more Above Moderate income individuals. With 14% of the households receiving less than $5,000 in 1979, a relatively high percentage of Paradise's population must keep housing costs very low.

However, the Town must also provide for housing almost 41% of the households which are above Moderate income levels. Twenty-six percent of the reporting households had a 1979 income of more than $20,000. So development of adequate housing for these individuals should be kept in mind during the approval stage for housing projects. Because a large percentage of the future population of the Town will immigrate, rather than being born here, the need for above moderate housing may escalate above the 1980 standard.

6.15 Employment Trends

The 1980 census reveals that the employment in Paradise continues to rely on a variety of occupations within several employment industries.

As Table VI-7 indicates, the major occupations in Town are in very different professions. Workers in precision production jobs are typically those in manufacturing or fabrication professions using relatively large and sometimes complicated machinery. The professional specialists are those in medical,engineering, financial, or similar positions, who unlike precision production workers, are typically self-employed.

Table VI-7

MAJOR EMPLOYMENT INDUSTRIES AND OCCUPATIONS

Industry		Occupation	
Retail Trade	1,300 empl	Precision Production	1,185 empl
Health Services	820	Professional Specialty	1,010
Construction	779	Clerical	963
Education	725	Sales	840
		Service	875

Among the six classes of workers in Paradise are Private Wage/Salary employees and Self-employed individuals. These two classes represent 83% of the work force in Town. The relatively high number of self-employed individuals reflects the numerous small businesses in Town, and of course these people hire workers for their businesses. This trend will continue for an indefinite period, until large industrial employers come to Paradise.

Table VI-8

CLASSES OF WORKERS

Private Wage/Salary	4,384 empl
Self-Employed	1,225
Local Government	735
State Government	325
National Government	90
Unpaid Family Member	90

The number of employed in 1979 was 7,649 workers. Interestingly, those individuals 16 or older which were not in the work force and not desiring employment totalled 10,649. This, of course, reflects the high percentage of retired persons.

Table VI-9

LABOR FORCE (16 or Older)

Male		
Employed	3,919	
Unemployed	568	(14.5%)
Not in Labor Force	4,125	
Female		
Employed	2,931	
Unemployed	232	(7.9%)
Not in Labor Force	6,857	
Full-time Employees		
Male (35+hrs/wk,40+wk/yr)	3,014	
Female "	1,306	

Many workers reside in Paradise but commute to jobs elsewhere. 2,830 individuals commute 15 to 44 minutes to work. Of these, 1,045 worked in or around Chico. Staff estimates that a minimum of 500 additional people work in the Chico area. Approximately 860 persons declined to answer questions regarding their work location in the 1980 census, and based on traffic movements during early morning and evening, many of these who declined to state apparently work in the Chico area.

As growth continues in the valley communities within easy commuting distance from Paradise, a greater demand for housing units designed for younger families with young children will probably be necessary as the Town continues in its role as a "Bedroom community".

6.16 Regional Needs

The steady population increases in Paradise in recent years reflect a nationwide pattern of rapid growth in small cities and retirement communities, and are matched by similar increases in many parts of Northern California and particularly in the Sierra foothill region. Butte County's population increased 41% between the 1970 and 1980 censuses, and according to the State Finance Department, is expected to grow another 35% by 1992. These figures are of some relevance in the evaluation of Paradise's housing needs because of commuting patterns and State Planning requirements. Since Chico and Oroville are major employment centers with workers who drive a half-hour or less from their

residences in Paradise, the future growth of industry, commerce, and government in these cities will probably continue to create some additional demand for housing in Paradise.

One of the Legislature's intentions in adopting the latest requirements for local housing elements is to ensure that cities and counties cooperate in addressing regional housing needs. Analysis of a locality's housing needs must include all who live within the area significantly affected by the jurisdiction's general plan. Each locality's share is to be determined by the regional council of governments after review of marketwide demands, public facilities, commuting patterns, and housing types and tenure. Housing element requirements include provisions for local revision of assigned housing needs based on available data and accepted planning methods.

A draft "Housing Needs Assessment" plan determining the housing needs of each city in Butte County has recently been prepared by County Planning Department staff. For analytical purposes, the County is divided into four housing market areas around the urban centers of Chico, Paradise, Oroville and Gridley-Biggs. Each are socially and economically independent of the other to the extent that at least 95% of the residents of each area also work within the market area, but because urban development has taken place in the unincorporated portions adjacent to the market area, the County has proposed that all five cities participate in an assessment during the Planning period 1980-1992.

Although the Town agrees that Paradise should participate in the Housing Needs Assessment Plan, it must disagree with the statistical analysis and conclusions drawn by the Butte County Association of Cities. The County has projected household growth for the Town using 3.732% growth rate, which appears to be the growth rate Paradise experienced between 1970 and 1980, which growth in this area was relatively high. According to the State Department of Finance, (which admittedly tends toward conservatism in their population calculations), determined a growth rate for Paradise in 1983 of 1.13% (23,655 to 23,924). This as has been the constant growth rate since 1980.

The Town has recently adopted a restrictive sewage disposal ordinance which increases the area needed for soil treatment of effluent. Because Paradise does not have a centralized sewer system, unlike Oroville, Gridley, and Chico, sewage must be adequately treated on each individual parcel. With 1,330 people per square mile, Paradise with the urging of the State Regional Water Quality Board has adopted this new ordinance last year. Therefore, future growth will be much less than during the 1970's when growth was almost 4% per year. However, the growth rate

should also be more than the State's 1.14% calculation, resulting from an easing in mortgage rates of the past two years. Approximately 20% to 25% more land area is required now for sewage disposal than prior to the new ordinance. So with the lower interest rated, growth should increase, reflecting more housing starts and home purchases. While the new sewage disposal ordinance will prohibit growth from approaching the 3.5% rate of the 1970's. Staff estimates a reasonable growth rate of 2.5% for the planning period.

In addition, the County has used a housing unit figure as it's base for 1983 of 9,937. The 1980 census determined that Paradise contained 10,123 dwelling units. Counting the units constructed and demolished since then, the Town had on January 1, 1985, 10,604 units. A 5.1% Vacancy Rate is used to determine that the actual number of occupied units for 1985 is 10,063.

The following table presents the County's projection (which the Town believes is inaccurate and physically impossible to reach) and the Town's projected growth to 1992.

Table VI-10

HOUSEHOLD PROJECTIONS BY YEAR (VACANCY FACTOR 5.1%)

	1985	1986	1987	1988	1989	1990	1991	1992
County	10,440	10,701	10,969	11,243	11,524	11,812	12,107	12,410
Town	10,063	10,315	10,573	10,837	11,108	11,386	11,671	11,963

Table VI-11

POPULATION PROJECTION BY YEAR
(County-2.37 persons/household)
(Town-2.41 persons/household)

	1985	1986	1987	1988	1989	1990	1991	1992
County	24,743	25,361	25,997	26,646	27,312	27,994	28,694	29,412
Town	24,251	24,859	25,481	26,117	26,770	27,440	28,127	28,831

(Paradise Irrigation District estimates a total service population of 29,500 to 30,000 with current supply facilities.)

The Town will not be able to meet the allocation of 12,410 households the County has projected. The Town will be forced to maintain a lower household number of 11,963 (447 less than the County's estimate) because of the problems associated with sewage disposal. Other cities in the County may desire less allocation but with their sewage treatment plants growth is possible. The Town of Paradise cannot build the estimated 40 million dollar treatment plant by 1992 and cannot provide for the households the County wishes to assign.

In addition, the water supply for almost all of the Town is from the PID, which would reach total service capacity by mid 1992 if the County's projection was used.

6.2 HOUSING STOCK ANALYSIS

6.21 Physical Characteristics

Within the Town, there were 10,604 housing units (by Town count) within the Town limits on January 1,1985. According to estimates from the State Finance Department, these units were distributed by the major types of residential structures as in Table VI-12. The dramatic rise in popularity of mobile homes and the gradual increase in proportion of multi-unit structures are clearly

evident. The first three years of this decade have shown a minor shift toward conventional housing and away from mobile homes.

Table VI-12

COMPARISON OF UNIT TYPE DISTRIBUTION
FOR 1970, 1975, AND 1980 CENSUSES

Unit Type	1970	1975	1980	1983
Single family	83%	72%	69%	72.5%
2-to-4 unit structures	4%	4%	5%	4.8%
5+ unit structures	---	3%	3%	4.8%
Mobile homes	13%	21%	23%	17.8%

Census figures indicate that the mean number of rooms in Paradise's housing units rose from 4.4 in 1970 to 4.8 in 1975, and 4.7 in 1979.

6.22 Age and Condition

Many housing units which would otherwise be available and suitable for meeting housing needs cannot be considered adequate because they are not safe, sanitary, or watertight. In addition, some lack heating, plumbing, or cooking facilities. Unfortunately, the number of such sub-standard units is very difficult to ascertain because of the need to make complete inspections and judgments by qualified personnel.

The last federal census with enumerators' evaluations of housing conditions was in 1960; at that time 14.6% of Paradise's housing units were judged to be "deteriorated", "dilapidated", or lacking some plumbing facilities. Although the 1975 census collected data on housing conditions, subsequent surveys have shown that inexperienced enumerators seriously undercounted the number of blighted housing units. In Paradise's case only 3% were then classified as unsound, a very low proportion which should be considered as a minimum estimate.

Since physical materials deteriorate with age, and older homes were often built or equipped to inadequate or obsolete standards, the age of a dwelling is often an indicator of substandard conditions. Combining 1970 data on unit ages with the number of

units added to the Paradise inventory between 1970 and 1983 leads to a breakdown of dwelling age in Table VI-13.

Table VI-13

AGE OF HOUSING STOCK

Age Group	Proportion of Units
0-8 years	18.4%
9-24 years	44.1%
25-44 years	30.7%
45+ years	6.8%

The above figures assume that no units built before 1970 have since been demolished. The high proportion of units in the middle two categories is a direct indication of the rapid growth that Paradise experienced prior to 1975. Housing starts have slowed since 1975, except for 1984. Before 1950, 1,889 housing units were constructed, which is 17.8% of the 1980 total.

6.225 Redevelopment Potential.

Almost every community contains housing units which should be redeveloped to meet minimum levels of safety and health. With approximately 1,000 units which may be considered dilapidated, Paradise should seek funding sources for redevelopment, however, funding for Butte County for this fiscal year will be limited to Chico and Oroville.

6.23 Occupancy and Tenure.

Available information on average household size was presented earlier. Of comparable significance in the analysis of the Paradise housing market is the proportion of vacant housing units. Vacancy rates at the time of the last three censuses are given in Table VI-14.

Table VI-14

VACANCY RATES

Year	Vacancy Rate
1970	6.48%
1975	5.68%
1980	5.09%
1984	5.10%

The above rates include only units for sale and for rent, but not vacant units which are not available for occupancy. This category includes seasonally used structures, second homes, uninhabitable units, just completed structures, and units which have been rented or sold but not yet occupied. The relative stability of the vacancy rate would indicate that a "tight" housing market in Paradise has not existed for some time.

Mobility and the rate of occupancy turnover can be inferred from the time each household has occupied its unit before the census date. The figures in Table VI-15 show the length of residency of a household before the 1970, 1975, and 1980 censuses. They indicate a moderate turnover rate and also show the high rates of influx or mobility which occurred in the early 1970's and 1960's. The dramatic change of tenure of those 21+ years between 1975 and 1980(if the data are correct) reflects the continued influx of residents between these dates.

The housing market is split into two sub-markets by the ownership of units and whether they are to be occupied by a purchasing owner or a renting tenant. In 1970, almost 77% of Paradise's housing units were owner-occupied, compared to 63.5% for all of Butte County. In 1980, 76.1% of all occupied housing units were owner-occupied. This higher rate may be explained by the increase in purchase and occupancy of more affordable mobile homes. Because of the popularity of mobile homes in the Paradise market, the proportion of owner-occupied units may have increased. In addition, many residents who retire to Paradise apparently have sold their home in a different community where housing prices are higher than those in Paradise, and purchase a home within the Town with no need for mortgage payments.

Table VI-15

LENGTH OF HOUSING OCCUPANCY

Length of Residency	April 1, 1970	October 1, 1975	April 1, 1980
0-12 months	26.3%	18.9%	23.6%
1-5 years	18.7%	30.2%	33.3%
6-10 years	14.6%	18.7%	20.4%
11-20 years	21.4%	11.2%	15.7%
21+ years	19.0%	21.0%	7.0%

6.24 Housing Costs

To most people the most important aspect of the housing stock is the total price required for the purchase or rent of their dwelling unit. Housing costs in Paradise have risen rapidly in recent years. This increase is well documented by available census data. According to the 1970 census the median asking price for the 58 one-family homes on the market was $13,100 and none was valued at more than $35,000. At the time of the 1980 census, the median asking price for the 78 single-family dwellings advertised for sale in the Paradise Post was in the $70-75,000 range. If these figures are accurate, the total increase would be over 400% and the annual cost inflation would have been about 20% per year. Further evidence of this trend is presented below in Table VI-16 with the number and average price of single-family homes by number of bedrooms offered in the first April issue of the Post for 1975 through 1981. The steady rise in costs is shown most clearly in the figures for the two and three-bedroom units; the increases in the 1975-77 and 1979-81 periods seem to have been the greatest, particularly the 125% gain in the average price of two-bedroom units between April 1975 and April 1977. Those prices shown for the one-bedroom, four-bedroom and mobile home units are generally indicative of trends but are not statistically reliable because of the small number of such units. what is significant about the mobile home figures is the increasing number of available units, a trend discussed further below.

Table VI-16

AVERAGE PRICES FOR SINGLE FAMILY HOMES - 1975-1981

Year	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedroom	Mobiles
1975	3*$23,250	20*$21,600	19*$37,750	5*$49,700	4*$18,020
1976	1 20,000	23 34,200	16 44,900	2 43,000	6 23,150
1977	0	20 48,500	20 56,200	5 66,300	8 27,900
1978	7 28,150	62 53,500	55 63,050	8 77,050	9 39,900
1979	2 32,100	38 56,050	35 69,450	4 74,350	15 35,600
1980	0	47 73,450	27 81,100	4 92,700	29 42,350
1981	1 39,500	52 76,200	30 102,750	6 120,550	35 34,000

*Number of units in the sample. Source: Paradise Post classified

Similar price increases have also been experienced in the smaller rental housing market in Paradise. For the 79 vacant units for rent in April 1970, the median asking price was $63 and only 5 were $150 or more. In comparison, the data for April 1980 suggests a median price between $250 and $300 for all units available for rent at that time. The numbers and prices of all rental units advertised in the first April issue of the Post are summarized in Table VI-17, but average prices were computed from a small sample.

Table VI-17

AVERAGE MONTHLY RENT FOR AVAILABLE RENTAL UNITS

Year	1 Bedroom	2 Bedrooms	3+Bedrooms
1975	4*$ 85	4*$150	----
1976	6 120	5 230	----
1977	4 125	10 260	4*$305
1978	4 145	8 235	3 350
1979	5 200	8 275	1 385
1980	8 165	10 330	5 370
1981	5 200	14 300	3 400

6.29 Group Quarters

Approximately 2.3% of Paradise's population resided in group housing quarters in January 1983 which are not included in any of the above data on housing unit characteristics. Because Paradise has a high proportion of elderly, and consequently a high proportion of residents with disabilities or impairments, most group quarters are intended for occupancy by senior citizens.

According to the State Department of Social Services, the agency which licenses and regulates all residential facilities where permanent care is provided for a charge, on March 26, 1981, Paradise had 62 licensed care homes with a maximum capacity of 538. All of Paradise's group quarters fall into this category. This total can be broken down by the number and age of residents of each care home, as given in Table VI-18. Several group homes

for school age and older persons were not reported this year by the Department of Finance which will be included next year.

Table VI-18

NUMBER AND CAPACITY OF LICENSED CARE HOMES

Size Category	Total Homes and Capacity	Homes and # Adults	Homes and # Children
Small Family (1-6 people)	34-151	28-131	6-20
Large Family (7-15 adults or 7-12 children)	5- 58	5- 58	----
Group (Larger than above)	23-329	15-222	8-107
TOTALS	62-538	48-411	14-127

In addition to the facilities listed above, the Town has approved a use permit for an 99 unit convalescent hospital, which should begin construction in late 1985.

According to the staff of the Far Northern Regional Center for the Developmentally Disabled in Chico, 29 of the homes with a total capacity of 277 are for occupancy by the "developmentally disabled", which is a legislative category which includes all children or adults with mental retardation, epilepsy, autism, or neurological disabilities. Staff believes that Paradise has a relatively large number of these facilities because it is a nice residential community which attracts older people who are experienced in such care. Managers of care homes for the developmentally disabled are paid a monthly stipend for each person under care, and varies from $495 per month for minimal care to $631 for moderate care, and $722 for intensive care.

6.3 MARKET EVALUATION

6.31 Demand Summary

The population of Paradise has grown very rapidly in the past 20 years as a result of in-migration of retirees and others from the

large metropolitan areas to the south. Unless constrained by utility deficiencies, interest rates or local policies, migration and growth are expected to continue throughout the planning period at a faster rate than the State but slower than in the 1960's and 1970's. Growth in Paradise should continue for the next five years at approximately 2.5 percent.

Although Paradise serves as a "bedroom community" for some workers in Chico and Oroville, the proportion of such commuters is low enough to make Paradise a separate market area which is not significantly affected by the housing needs in other parts of the region. (Approximately 5% of the total population work out of Town.)

6.32 Overcrowding

A common measure used to evaluate the level of housing demand is the extent of "overcrowding". This condition is defined by several federal housing programs. The policy assumption is that such a situation is unacceptable because that level of crowding is harmful to the occupants.

The 1970 and 1980 Censuses tabulated the ratio of people per room for every occupied housing unit. Paradise's 1980 rate of 2.3% of occupied units (219 units) with more than one person per room was less than the 4.4% of 1970 and much less than the County's near 7 percent rate.

Given the previously reported decrease in household size and increase in dwelling unit size, the proportion of overcrowded households decreasing is not surprising. Because of the projected continuation of this trend, overcrowding will most likely decrease over the planning period.

6.33 Availability

The minor decrease in the overall vacancy rate between 1975 and 1980 is evidence that a slowdown in housing production did occur. However, a more accurate indicator of availability is the ratio of units which are actually for sale or rent compared to the number of ownership units or rental units respectively. This data is directly available from the 1970 census, but for 1980, the number of "available" units is simply those advertised for sale or rent. Level of availability is given in Table VI-19.

Table VI-19

AVAILABLE HOUSING UNITS

	Units for Sale	% of Ownership Units	Units for Rent	% of Rental Units	Available Units	% of All Units
1970	61	1.3%	79	5.7%	140	2.3%
1980	107	1.4%	23	1.0%	130	1.3%

(Source: Paradise Post classified)

The figures in Table VI-19 indicate that the 1.0% decrease in the availability rate is mostly a result from the large reduction in the proportion of available rental units. The slight increase in the availability rate for ownership units may indicate the dampening effect on home sales caused by the relatively high interest rates of the time. The decrease in the home mortgage interest rates of the past two years should lower the number of available housing units.

6.34 Affordability

A major indicator of the effectiveness of a housing market in fulfilling the needs of local households is derived from the comparison of gross monthly housing costs. Until recently, most housing analysts used a standard of 25% of household income that should be used for housing expenditures. However, with the rapid rise in housing costs, the percentage of income deemed acceptable for household cost allocation has increased to approximately one-third of household income. People tend to adjust to rising costs by adjusting their proportionate expenditures for housing costs. Assuming that this upward adjustment will be a continuing trend, the criteria for affordability will have to be increased also, perhaps to 40% by 1992.

Housing costs are shown in the 1980 census for rental and owner-occupied housing units. Of the 9,540 occupied housing units, 2,277 (23.9%) were rented in 1980. Interestingly, 54% of

these rental units were occupied less than 2 years by the responding tenants, showing a fairly high transient tendency among renters in Paradise. Of the 408 dwelling units constructed in 1979-1980 only 14.9% (61 units) were rented, reflecting the preference of home builders for single family dwellings and for the installation of new mobile homes.

The median gross rent in 1980 was $247 per month. All renters with household incomes less than $5,000 paid at least 24% of their income on rent, and at least 86.9% of these renters paid in excess of 35% of their income for housing. Those with incomes between $10,000-14,999 showed a significant shift to the lower percentage of income for housing. Thirty-nine percent of all households in these group paid less than 25% of their income on rent.

Those who own or are buying their home in all categories of income spend a lower percentage of income for housing costs than renters. This reflects a preference by a majority of residents to own or buy dwellings rather than rent of their income is high enough. The following tables present this information.

Table VI-20

NUMBER OF HOUSEHOLDS BY INCOME

	$0-4,999	5-9,999	10-14,999	15-19,999	20,000+	Total
Rented	497	695	417	263	352	2,224
Own/Buying	548	890	1,076	842	1,874	5,230

Because housing is a basic necessity for survival, individuals are willing to pay a high percentage of their income for it. Those households whose income is less than 80% of the average for Paradise (average = $12,556) generally must rent housing. The following table shows the number of households reporting which overpay for housing (assuming overpaying is greater than 35% of annual income).

Table VI-21

Total Overpaying for Housing
(Income less than $10,045 paying >$3,516/yr for Housing)

Renting: 844 Buying: 377 Total: 1,221

Table VI-22

Percentage of Income Used for Housing Costs

	0-19%	20-24%	25-34%	35%+	Not Computed
Rented	30.0	7.4	19.0	36.4	7.1
Own/Buying	65.9	9.4	11.4	11.3	2.0

6.4 RESOURCES AND CONSTRAINTS

6.41 Cost Factors

The housing delivery system usually requires the involvement and the coordination of many different activities in both the private and public sectors. Most new housing in Paradise, like most of this country, is proposed, financed, constructed and purchased with private resources and by individuals or firms attempting to earn a profit or income in the process. Actors in the process include investors and developers, banks, savings and loan institutions, engineers, architects and designers, building contractors, trade unions and the producers and suppliers of materials, title insurance and transfer companies, private utility companies, realtors, and the purchasing or renting households.Since the economic survival of all these groups requires responses of varying flexibility to changes in their costs, all have been caught in the rapid inflation of prices and wages which began last decade.

All levels of government are directly and indirectly involved in the housing market. The national government has the most persuasive influence; collecting taxes for incomes and businesses, setting minimum wage and safety standards, controlling the development of much of the nation's timber, mineral,gas and power resources, diverting capital and resources to other activities, limiting the amounts of imported materials and labor, and attempting to prevent various types of discrimination and fraud. Since the private housing market is frequently deterred from functioning effectively by constraints in both the private and public sectors, the national government has also implemented many programs insuring, financing, subsidizing, and building housing. Programs being used in this area are discussed later under the title of "Housing Assistance Programs".

State governments are frequently involved in the same type of housing related activities as the national government, and many have also initiated direct programs of market assistance. State housing activities include requiring local governments to use their delegated powers and direct involvements to provide for local housing needs. However, many of the factors affecting financing, labor, and materials cannot be significantly affected by the limited powers and resources of cities and counties. For that reason, this Housing Element and policies and activities recommended focus on factors affecting the availability, affordability, and habitability of housing which can be controlled, or at least influenced, by actions of the Town of Paradise and other local entities.

6.42 Building Sites and Densities

The amount and price of land available for development of new housing is the cost factor most affected by local government policies. American household demands for space, privacy, and independence require large land areas for residential development are controlled by local communities for the general welfare the the exercise of planning, zoning, and other powers delegated by the State. These controls to some degree limit the number and size of new housing units, which in turn may influence the value of the land and the costs per unit.

The costs of acquiring a building site is of primary importance to the housing market not only because the availability of land is an essential ingredient which is largely controlled by local government, but because land costs are commonly considered an indicator of the construction costs and total value of new housing which should be built on the site. Although raw land development. The location, extent, and density of that costs are frequently less than 15% of total value, prepared lots or sites are usually worth 15-30% of the total sales price of new housing. Unimproved vacant lots with little or no frontage improvements or no installed utilities sell for a low of approximately $18,000 for one-third of an acre. Fully improved vacant lots in desirable subdivisions sell for more than $45,000. Since land prices vary widely and have such a strong effect on total costs, site acquisition for speculative development is always preceded by an evaluation of whether the total revenue from marketing the allowed number, type and size of units exceeds total costs by a profitable margin.

Local plans for residential densities take into account three general considerations, all of which are controlled by local government in large degree. First, the slope, soil conditions, and other physical characteristics are limiting factors.

Secondly, the desires of a community reflected in regulatory policies reflecting aesthetics, size, shape, safety, comfort, appearance, vegetation, open space, and arrangement are a factor in the residential density allowed. The third type of local government control over densities the provision for public subsidized improvements such as roads, water and sewer lines, drainage facilities, parks, schools, and other public utilities and services.

The physical characteristics of land which most limit residential densities in Paradise are the limited soil permeability, steep slopes, and the abundance of mature trees, which the Town wishes to preserve if possible. The volcanic soils found in this area vary in permeability, but are generally considered of moderate suitability for sewage disposal by septic tanks and leach fields which is the only sewage disposal method used in the Town except for a few specially designed systems. This factor and the County Health Department standards associated with it, together have determined the maximum residential densities in the past and until off-site disposal systems are created, will continue to set the limits. Under the best of conditions in Paradise, current standards will allow single family lots of no less than 14,520square feet (3.0) per acre) and multiple family unit development of 7 or fewer units per acre.

The steeper slopes characteristic of the large canyons east and west of the Town and small canyons to the south have not been a significant supply limitation in the past, but as better sites become scarce during the next five years, pressures will increase to utilize sloping sites to the maximum. Health Department requirements for leach field areas increase by degree of slope to 30% (3' drop or rise to 10' forward); underground disposal is not allowed on steeper slopes.

Steep slopes and tall trees are both physical characteristics which will limit residential densities because of aesthetic concerns. Many canyon rims and nearby areas with dramatic scenic views are already occupied by large single family residences at very low densities. The preservation of the residential quality of these outer areas and of all areas which are heavily forested with trees is a lifestyle choice and environmental goal which discourages higher densities from many areas of Paradise.

Paradise's dominant residential pattern of detached single-family homes, including many mobile homes on large lots, also reflects the conscious preferences and the cultural environment familiar to many of the older households who move to Paradise. As long as there continue to be buyers for large lots and their spaciousness, privacy, quiet, natural vegetation and security,

economic pressures, and political difficulties will discourage zoning of vacant land in such areas for high densities.

The total growth and urban densities of the Paradise area have only been permitted by the domestic water systems of the Paradise Irrigation District (PID), Del Oro Water Company, Magalia Water District, and Lime Saddle Community Services District. The capacity of each of these systems is projected to be adequate in the near future, but there is a strong possibility that the existing water supply facilities will not be adequate for expected long-term growth in the area now within PID and the town (the PID serves all but the extreme north end of town). This possibility of course depends on actual growth and usage rates and could be lessened by enlarging storage capacities and acquiring additional sources.

The adequacy of public road access varies greatly in the areas served by domestic water systems and is frequently a limiting factor on residential densities in the "perimeter" areas of the Town. However, this problem and that of providing effective drainage facilities can sometimes be solved through cooperation between adjacent landowners and developers and coordination by the Town. It is obvious that such techniques will also be required to develop off-site sewage disposal systems which would allow higher densities on sites which are otherwise suitable.

In addition to all the above factors, the land costs and zoning densities of particular locations are often affected by the surrounding uses and the distances to services and facilities. Adjacent commercial uses may increase the value of some residential development because of the proximity of business services, but the noise, lights, and traffic of commercial development can frequently have a negative effect strong enough to discourage new residences and encourage conversion or demolition of existing residences to allow additional commercial uses. Other intense uses in Paradise which have some negative effects but which are nonetheless more encouraging to nearby residential development would be elementary schools,parks, public offices, and medical facilities.

Application of all the above density factors to Paradise leads to the conclusion that the lands most suited for higher density development are those lying in or near the "core" area along lower Skyway, Elliott Road, Lower Clark Road, and Buschmann Road. The most significant problems associated with residential development in this area include the lack of off-site sewage disposal, the need for additional drainage facilities, and the competition and negative factors associated with commercial development. Other than the positive factors of good road

access, proximity to services, moderate slopes and limited single-family development, this area also has the potential of additional sites being created by removal by removal of older dilapidated dwellings and assemblage of small parcels.

Allowing higher densities in suitable areas may in some cases lower the land costs per unit, but may also provide increased profit margins without lower sales prices. Increasing the housing supply will only lower prices if the demand is fairly limited. However, the migration trends and growth pressures in rural retirement centers such as Paradise are expected to be substantial throughout the planning period and cannot be satisfied by the efforts or increased densities in any one community. Consequently, market demands will probably keep Paradise's housing prices relatively high no matter how many new units are made available.

Although higher density development using multiple-family dwellings will most likely occur in the core area, the periphery of Town can provide low density neighborhoods with single-family dwellings. The end of Valley View Drive and the surrounding area can provide such development, as can the extension of South Libby and Edgewood Roads if circulation patterns can be satisfactorily solved. These areas, as well as vacant property along Pentz Road, contain approximately 2,000 acres of residential reserve for development at densities ranging from 0.33 to 2.00 dwellings per acre. Some 1,500 of the approximate 1,900 units to be constructed in the next eight years will come from these very important "land banks". The remaining 350-400 units will mostly likely be multiple-family units concentrated in the core areas of Town.

The major areas currently being considered by developers for future growth also include approximately 100 acres adjacent to a golf course on Lower Clark Road. The initial development plan envisioned 299 units, but sewage disposal constraints will most likely limit construction to approximately 120-150 units.

Policies for Site Availability

Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.

Support PID expansion of supply facilities, conservation programs and other measures which would provide sufficient water for residential development served by domestic systems.

Limit commercial zoning to expected needs in order to avoid unnecessary demolition and conversion of existing housing units and to make suitable sites available for new housing.

Allow residential and mixed development in commercial zones, particularly dwellings in upper stories.

Encourage creation of new building sites through demolition of dilapidated units and assemblage of small parcels.

Policies on Housing Densities

Allow single family residences at densities of no more than 4 units per gross acre in areas which are so developed at present, have insignificant slopes, and have good access.

Allow other types of new housing up to 10 units per gross acre in areas with good road access, fairly level sites and nearby services and facilities, particularly within the central area bounded approximately by the Skyway, Elliott Road, Clark Road, and Buschmann Road, and along middle Skyway and Clark Road.

Encourage development of off-site sewage disposal facilities in areas which have poor leaching capabilities but are otherwise suitable for higher density development.

Assist development of specific plans for residential densities, roads, drainage, utilities and sewage disposal in the largely undeveloped ridge tops along the southern and western edges of the Town.

6.43 Development and Construction

The various costs of site development and building construction are together the largest part of new housing prices. Depending on land costs, financing and profit levels, 50 to 75% of the total sales price of new units is usually derived from the costs of clearing and grading the site, installing utilities, drainage and street improvements, designing, building, and equipping the structure, and landscaping and fencing the site. The largest part of development costs, in turn, are the labor and materials required for actual building construction. These two components of construction costs are also the least controlled by towns such as Paradise, being determined by regional wage and price levels, union contracts, distance from labor pools and materials sources, and by federal and state policies on taxes, minimum wages, safety standards, labor relations, shipping rates, foreign trade, and

resource exploitation. Although material costs are similar in Paradise to other north state communities, non-union labor provides less expensive housing costs than elsewhere. Carpenters, plumbers, and roofers normally charge between $12-$15 per hour. With labor and materials, an average single family dwelling costs approximately 40 dollars per square foot. A 1,500 square foot house would require $60,000 to construct. After paying $30,000 for a lot and its preparation, a new home buyer would need a total of $90,000 for a no-frills dwelling. By 1992, inflation will drive up the cost to $106,000 to $110,000.

Local jurisdictions like Paradise are mandated by the State to have planning, zoning, subdivision review, environmental review, and building regulations and are authorized to require installation of utilities, drainage and street improvements, and dedication of land or money for schools, parks, streets, and other off-site facilities affected by the development. Paradise's requirements for review and approval affect development costs in three different ways.

(a) First, in addition to the previously discussed effects on land costs and densities, planning and zoning have restricted the arrangement and type of construction through setback requirements and lot design criteria and through prohibition on mobile homes, mobile home parks and/or multi-unit structures in various areas. Given the nation-wide trend toward smaller and cheaper clustered units in non-custom developments, the Town has decided to allow greater flexibility in its design requirements to make more efficient the use of land. This should provide for a reduction in costs to the developer which should lead to lower consumer costs.

Zoning to prohibit mobile homes has been initiated by local residents in many areas of Paradise, and this type of lower cost housing has thus been prohibited in more than half of the residentially zoned areas in the Town. Such zoning has been legally allowed or upheld in the past because mobile homes were factory-built units constructed to a lower set of standards and taxed as motor vehicles rather than as real property like conventional "site-built" houses. However, recent California legislation has changed all aspects of this situation. Construction standards for mobile homes have been raised to a very close to conventional building codes. Since 1980, new mobile homes placed on foundations are taxed as real property and not registered and taxed as motor vehicles.

The most recent mobile home legislation is Senate Bill 1960, adopted in September, 1980. This bill took effect on July 1, 1981, and permits mobile homes meeting certain standards to be

placed on foundations on any lot zoned for single-family dwellings. However, the effects of this provision is limited by the bill then authorizing a city to designate lots which are compatible for mobile home use, implying that certain lots or areas which are not compatible for such use may also be designated. Interpretation and implementation of these provisions have varied widely. Butte County and the Town of Paradise have complied by allowing single mobile homes meeting certain criteria in all residential zones, Chico created a new overlay zoning for mobile homes, and Oroville holds that its existing zoning for mobiles meets the law. There is a good possibility that these provisions may be further clarified by the courts or the legislature. In response to recent State Legislation, the Town has adopted an ordinance allowing small (640 sq.ft.) second dwellings in single family zones with a use permit. These "granny" units can be rented out and will not be considered in any density analysis. The major restriction is that these units must be of conventional construction and not mobile homes without a foundation.

(b) The second area of development control exercised by the Town is the enforcement of detailed building and design standards on all new construction. Like most California cities, Paradise has adopted the Uniform Building Code developed by national building organizations;the 1979 version of the Code is now in effect in Paradise. Although the Code is periodically updated to reflect changes in materials, techniques and standards, it is oriented to the use of wood and other specific materials and is not always reflective of the "state of the art" in building methods and materials which might cut costs while meeting recognized standards of strength, durability, and insulation.

The Town should undertake a review of relevant innovations and cost saving materials and techniques that will provide the same quality dwelling at a lower unit cost to the consumer. These standards will naturally supplement UBC codes and should take precedence as long as the health, safety and welfare of owners, future owners, neighbors, and the community are respected.

Although the Town sets minimum standards for new construction, the builder still has control over many choices of size, quality and style, including the size of units, rooms and windows, the quality of cabinets, appliances, fixtures, flooring and wall covering, the arrangement of rooms and the provision of such "options" as garages, fireplaces, patios, fences, lawns, landscaping, and recreation facilities. Inflation of housing prices in recent years can be partially blamed on the expressed preferences of home buyers for larger and better dwellings, but leading analysts believe that most households of the future will

not be able to afford the spacious single-family homes and amenities we have grown accustomed to.

The two special housing types abundant in Paradise, mobile home parks and group care homes, are valuable supply resources which are licensed by the State and regulated by the Town through zoning. Mobile home parks allow rental of sites for detached ground-level units with low maintenance in moderate densities and offer a unique blend of privacy and social opportunities. Rest homes, nursing homes, and similar types of group quarters provide suitable housing for many elderly and others needing daily assistance. Approval of a use permit by the Planning Commission is required for construction or expansion of mobile home parks and for care homes with seven or more residents in some zones. Mobile home parks and care homes are both efficient housing forms which should be encouraged in appropriate locations.

Some type of discretionary review and approval of new development by the Town is required for most types of new housing. Subdivisions for dwellings are reviewed under regulations set forth in the Towns Subdivision Ordinance,while multiple-family developments on existing lots of record require a Site Plan Review by a committee of the Planning Commission. All subdivisions of land for purposes of sale, lease or financing, whether for single-family lots, clustered townhouses, condominiums or apartment sites, must by State law be approved by the Town as consistent with adopted plans and ordinances. These two types of approvals and rezoning are the major devices for implementing land use plans and policies and require much from developers in terms of application fees, review time, uncertainty, and holding costs. Review periods for simple projects are quite reasonable when compared to other cities, but opposition by existing residents can delay projects additional weeks.

(c) Like use permits, all discretionary approvals of new housing can be accompanied by conditions and/or mitigation measures requiring sizeable amounts of money, time, and land from developers. This is the third major aspect of development costs affected by Town policies. The Town's present requirements for on-site and off-site improvements are considerably less than most California cities of comparable size and development and are not considered to be a significant impediment to residential development. In order to preserve the "rural mountain" character, asphalt berms and walkways are preferred to walks and concrete curbs and gutters in single-family areas. Compared to many areas, utility hookup fees are very reasonable.

The required width of travel lanes and size of parking spaces are based on average car dimensions which may continue to decrease in the future. Based on recent experiences in other areas, the Town has amended its requirements of two parking spaces per new unit to a graduated scale based on the square footage of the dwelling units.

Because of the large proportions of elderly and handicapped in the Paradise population, the design of all new multi-family housing units should reflect their needs. This should include designated spaces for handicapped parking, ramps, elevators for multi-story structures, wide doors, and controlled access. With its population size and characteristics, Paradise should be able to attract and support one or more additional "lifetime care" retirement centers such as the one recently approved for construction on Edgewood Lane containing 69 units.

Because of the high costs of development and construction of new units, many apartment complexes throughout the country have in the past few years been converted into condominium projects wherein dwelling units are individually purchased but the building site, shared facilities, and surrounding grounds are usually owned and managed by a property owner's association. This process creates small sales units of sometimes affordable prices, but also forces many low income tenants who cannot afford the purchase of the unit to move out. In areas with high vacancy rates in a large stock of rental units, condominium conversions may cause few problems, but such a trend could be disastrous in Paradise because of the limited available rental and the fixed income levels of elderly residents. Condominium conversions are reviewed and approved by local governments such as tentative subdivision maps, but Paradise has no special restrictions on such conversions other than State requirements that tenants must receive advance notice of the change and must be given the first chance to buy the unit. Many cities have passed ordinances to restrict or prevent conversions where other rental opportunities are limited.

Currently, a building permit fee for a 1,500 square foot single family home is approximately $500. Use permit fees for an additional dwelling on a lot are $150. Dividing property costs $450 to $700 in application fees depending on the number of lots.

Policies on Development and Construction

Continue to review innovations and cost savings materials and techniques that will provide the same quality construction at a lower cost to the consumer.

Allow rest homes and care facilities for the elderly and disabled where compatible with surrounding development.

Encourage development on suitable sites of "Life time" care retirement centers and other housing designed specifically for the elderly.

Require the first floors of the multi-family developments to accommodate access and use by the elderly and handicapped.

Limit curbs, gutters, and sidewalks to major streets and areas with intense uses. (see Circulation Section)

Continue to analyze setback requirements, lot design criteria, review procedures, parking requirements, and street improvements standards and modify each of these where possible to cut development costs.

Allow mobile homes in all residentially zoned areas of the Town unless clearly incompatible with existing development.

Limit development charges to the estimated costs of Town expenditures and needed improvements.

Limit condominium conversions to assure sufficient housing opportunities for renters.

6.44 Financing

The asking prices quoted earlier for purchases of housing units in Paradise do not include the various costs of borrowing money and actually completing the transaction. Monthly payments and the affordability of housing are determined as much or more by the interest rates on construction loans and home mortgages as by land costs, development costs,or any other factor over which local governments have control.

When interest rates are high, the burden of financing costs can be otherwise reduced in only a few ways. The most direct method is reducing the principal by increasing the cash down payment which does not have to be financed. Most buyers who are selling their present home increase their disposable equity for this

purpose by raising the selling price as high as the market will pay within an acceptable period, thereby triggering further inflation of housing costs. In such conditions, first time buyers without the equity to pay a large down payment frequently cannot afford average new housing costs. This rapid escalation of housing prices in attractive small communities such as Paradise is caused by the influx of buyers with large equities to spend from the sale of homes at metropolitan area prices.

The 13% interest rate commonly used today, the conventional 30-year fixed payment mortgage, or variable interest payment option are partially responsible for the current upswing in sales of low and higher priced dwelling units. However, medium priced units have continued to slump in sales and construction. Since existing home owners are not selling and moving as much, the new home market must focus on first-time buyers with limited incomes who cannot afford the standard product of the past, that is a 1,700 sq.ft. house with three bedrooms and two baths. Financing constraints will thus force the continued production and sale of smaller, more basic housing units and larger, more expensive homes for those not financing construction or not constrained by financing costs.

The lending industry's major response to such trends is to develop new types of mortgages with more affordable initial payments. Besides variable rate mortgages, renegotiable rate mortgages are also being used in which rates can be increased a certain amount every three to five years. Also, graduated payment mortgages with increasing monthly payments, shared appreciation mortgages where the buyer gets lower interest rates by giving the lender a share of the profits if the unit is ever sold, and wrap-around mortgages in which the buyer simply assumes the existing mortgage and borrows at prevailing rates for the remainder are now available to home buyers.

Policies on Financing

Encourage state and national legislation which would increase capital available for residential financing and permit varies types of lending agreements.

Prohibit discrimination in financing on the basis of age, religion, or national origin in the sale or rental of housing.

6.45 Maintenance and Utilities

A major concern of homeowners, landlords, and tenants alike is the continuing cost of maintaining dwelling units in a functional, safe, and healthful condition. Cost components of this process include the charges for electricity, gas, water and other utilities; the prices of paint, wood, and other building supplies; the time and energy needed to clean and repair; the replacement cost of equipment, fixtures, and appliances; the wages of paid assistance; and financing costs if a loan is required. All of these costs tend to increase over time, because of a general price inflation and materials and equipment wear out as housing ages.

The number of substandard units in Paradise reflects both the owner's limited capabilities to pay these costs and the lack of any pressure and assistance to make improvements. Homeowners with fixed incomes may have the motivation to improve their own properties but have decreasing capabilities to do it. The owners and managers of apartments and rest homes may be able to increase their maintenance capabilities by raising rents, but increased expenditures, especially if they can be avoided or delayed, may seem an unnecessary reduction in net income.

Although rehabilitation can add considerable value to deteriorated housing, this increase can be a disincentive to such work if it means higher monthly costs. Tenants are frequently hesitant to report poor conditions or code violations because the costs of necessary improvements may help initiate increases in rent payments. Few tenants are aware of the legal resources available to obtain adequate housing conditions. In the past, some homeowners have refrained from making improvements, or at least from getting permits, because their property assessments and taxes go up. However, since the passage of Proposition 13, increases in assessments are limited and not as much as a deterrent in this regard.

Because of the distribution and setting of substandard units in Paradise, there has not been strong public concern about rehabilitating or demolishing such units. Unlike many communities where dilapidated housing is clustered in the older central areas, Paradise's pattern of filling in all portions of a large irrigation district has resulted in older substandard units being scattered throughout the Town. Areas do vary in the age and condition of dwellings, but there are very few clusters of such units. The low visibility of blighted housing conditions because of dispersal is further enhanced by the low densities, fairly large setbacks, and abundant screening vegetation.

Limited resources are available to assist residential maintenance in Paradise. The Town's building inspectors have the knowledge and position to provide technical advice. Many of the elderly living in Paradise have experience and time which could be put to good use in an organized volunteer program. The several types of available government assistance are discussed below under "Housing Assistance Programs".

An important aspect of any Housing Element is the opportunities for energy conservation with respect to residential development. Although the rates for electrical power and natural gas are controlled by the State Public Utilities Commission, local governments can influence the amount of energy resources used in their jurisdiction. The most direct measure is to simply reduce government energy usage as much as possible, thereby setting a good example for the private sector.

Local controls on development and construction can be especially effective in reducing energy usage. Strict enforcement of the latest State requirements and building code provisions in insulation, windows, and equipment can help minimize waste in heating and cooling operations. Allowing higher residential densities in order to facilitate smaller, more efficient units with shared walls can aid in reducing energy costs per unit. Local policy makers may set higher standards for energy-efficient design if they wish. Such efforts in Davis and other California cities have addressed lot and window orientation, street lights, increased south setbacks, foundations, roof design, water heating, clotheslines, landscaping; features to make use of solar heating and natural cooling processes.

The costs of gasoline for vehicles can also be minimized by policies on residential development. Allowing higher densities and clustered development reduces distances between units and can reduce distances to shopping and other services if located nearby. Providing or requiring bike paths and lanes can encourage bicycle use and thereby reduce vehicle use. Travel to work places, as well as extra heating and cooling required, can be reduced by allowing small home businesses by residents.

Because of the limited water supply, the Town should minimize its water usage. Possible measures are very similar to those for electricity and gas: reduce government consumption, support conservation programs, allow clustering, enforce building codes, and require drought-resistant landscaping and restricted waterflow devices.

Policies on Maintenance and Utilities

Inspect housing upon complaints about Health and safety problems and require compliance with applicable codes.

Initiate a program of periodic inspections of apartments and rest homes.

Require demolition of vacant dilapidated dwellings which are not economically feasible to improve to code standards.

Encourage and support housing improvement programs by local organizations and volunteers.

Support legal obligations and powers of owners and tenants in maintaining adequate housing conditions.

Require design of new residential development to minimize use of energy and water and to maximize use of natural lightings, heating, and cooling processes.

Allow home occupations (See Commercial Land Use Section).

Require developers to pay the costs of new facilities and increased services needed for the new development.

6.46 Residential Environments

The rapid growth of Paradise is largely a result of the pleasant living environment created by pine forests, clean air, cool nights, and scenic views. These advantages have been enhanced, or at least partially protected, by the low density of residential development allowed by individual sewage disposal. These two factors together--the mountain setting and low densities--are extremely attractive to newcomers and their preservation is the major housing-related objective of many Paradise residents. The maintenance of a "suitable living environment" seems to be more important to many than the availability, affordability, condition, or any other facet of the housing market.

The lack of interest and support in building new housing, developing sewer systems, and using government housing programs in Paradise reflects this attitude. New development is often seen as a threat to the positive aesthetics of the natural setting. The potential blighting influence of new development is especially objectionable when that new development requires the removal of large trees, uses unnatural colors and materials,

provides no landscaping, or has a repetitious, unimaginative design.

Maintaining Paradise's attractive appearance while allowing new development is possible with the proper consideration of regulatory controls. The critical factor of residential densities has been addressed previously in this Element and is also considered in the Land Use Section of this Plan. The Town has an ordinance concerning the preservation of trees, which has recently withstood a court challenge. However, the Town does not have a Design Review Board, nor guidelines for such regulation.

Policies on the Residential Environment

Encourage retention of adult trees or replacement with adequately sized trees on all new development sites. (See Residential Land Use Policies.)

Require complete landscaping of new development other than single family homes.

Require natural colors, materials, and textures as much as possible in new developments.

Limit structural height by residential density or intensity of use.

6.47 Housing Assistance Programs

Since the National Housing Act of 1934, the national government and most states have developed a variety of programs to assist the housing market in providing decent housing to low and moderate income families. Such programs usually involve loans or grants to local agencies or sponsors, including cities, counties, housing authorities, redevelopment agencies, non-profit corporations, and private developers. Most federal housing programs have been administered by divisions of the Department of Housing and Urban Development (HUD) in recent years.

(a) One of the oldest and most direct federal programs has been loans and grants to local housing agencies to develop, own, and operate rental complexes for low income residents. The Butte County Housing Authority, a semi-autonomous public corporation created by the County, has participated in this program for many years and now has several hundred units throughout the County. The director of the Authority has stated that he would be willing to develop a public housing complex for the elderly, handicapped,

and disabled in Paradise if the Town Council and the public were interested and supportive. The Council's approval would place the matter before the voters which requires a two-thirds voter approval.

(b) The Housing Authority's other major HUD program now provides rent subsidies to over 600 lower income families living in private housing.Eligible tenants pay no more than 25% of their income for rent, and the Authority then subsidizes the landlord for the difference between the rent payment and a reasonable rent level. This "fair market rent" is determined for all Butte County. More than 50 units in Paradise are now in this program, and funds are reportedly available for additional units of they meet certain standards of safety and sanitation.

(c) National legislation in 1974 created flexible "Community Development Block Grants" to finance local government activities which were previously eligible under the Model Cities, Urban Renewal, Neighborhood Facilities, Rehabilitation Loans, and Open Space Programs. Spending priorities are determined at the local level, but the law states several HUD funding priorities: lower-income housing needs, suitable living environments and expanded economic opportunities. The distribution of funds to local governments is therefore based on a formula which considers population, poverty, overcrowding, age, and condition of housing, and "growth lag". Over 4,000 communities have participated in the program, including Chico, Oroville, and Butte County. Eligible activities which might be appropriate for Paradise include a senior citizens activity center, acquisition of sites for recreation facilities, housing for elderly, and pedestrian-oriented commercial development and construction of sidewalks, drainage facilities, and sewage disposal systems.

One of the most popular activities in local block grant programs is the provision of low-interest loans to property owners for rehabilitation of basically sound structures. Applicants must be unable to secure private financing, but capable of repaying the loan. Preference is given to low and moderate income applicants, and loans may not exceed certain amounts. Bringing substandard structures to code requirements through this program helps create pride of ownership and sets good examples for surrounding properties. Where units are not feasible for rehabilitation and must be demolished, relocation funds are available through the block grant program and the Housing Authority can also help find new housing for displaced occupants.

(d) The Community Action agency of Butte County has many programs to aid low income families, but the one most directly related to housing is a weatherization program funded by the U.S.

Department of Energy through the State Office of Economic Opportunity. The purpose of the program is to reduce the energy and fuel needed for heating and cooling by providing attic insulation, water heater wrapping, weatherstripping, caulking sealing, replacing glass and doors, and repairing holes. The services are available at no charge to any family meeting certain income levels, and priority is given to the elderly and disabled. The program is now averaging 150-180 participating homes per year, and about half of them are in the Paradise area. Other related Agency programs have included emergency repairs, assistance with utility payments, more extensive home repairs, neighborhood cleanup campaigns, and energy demonstration projects.

(e) The State of California has developed several housing assistance programs in recent years which are being used increasingly by both public and private participants throughout the State. The California Community Redevelopment Law allows every city and county to set up a Redevelopment Agency (RDA) to improve conditions in blighted areas characterized by unsafe structures, faulty planning, inadequate public facilities, social problems, lack of economic incentives, and the need for public assistance. Permitted RDA activities include replanning, land acquisition and disposition site clearance, structural rehabilitation and reconstruction, public utilities and buildings, and financial assistance for private redevelopment activities. However, the residents of Paradise have voiced open opposition to the creation of an RDA because of possible financial liability which may be incurred to the Town's General Fund.

Several other State programs are available to RDA's and other local agencies or sponsors. The California Housing Finance Agency (CHFA) finances development and rehabilitation of housing for low and moderate income families by selling tax-exempt revenue bonds to provide direct construction loans, low interest home purchase mortgages, and low interest loans for land acquisition, design, utilities, site preparation, and construction of affordable housing. It funds local programs for counseling low income families in home management and provides rental assistance to the developmentally disabled through the Marks-Foran Residential Rehabilitation Act of 1973. California cities may sell tax-exempt bonds to finance low interest loans for housing code corrections and other property improvements.

Conservation and Improvement of Existing Affordable Units.

Local governments have difficulty requiring private property owners to maintain a level of housing quality after the building is occupied. Paradise does not have an active review procedure to accomplish this, however, with the relatively large number of new apartments designed for lower income individuals, this procedure should not be necessary for the planning period.

Displaced Persons

Homeless individuals within the Town can be families which have been evicted from rental property, or individuals who, for a time, have chosen or have been forced to adopt a transient lifestyle. Housing for these persons could be a camper, tent, trailer, or in the worst cases, only vegetative cover for sleeping hours.

According to those in local social work, in 1984 23 men, 11 women and six children were given lodging and food by private organizations. This does not mean, however, that others do not need this assistance. However, statistics on unreported cases is impossible to obtain. Paradise does not have a large number of transients, but the Town recognizes its obligation to investigate methods and programs to provide housing for those who are temporarily homeless and desire housing.

Housing Assistance Programs

Assist development of a housing complex for the elderly, handicapped and disabled through the Butte County Housing Authority by helping the Authority select and acquire a site and by placing a referendum on the ballot.

Support continuance and expansion of the Housing Authority's rental assistance program.

Apply for Community Development Block Grant funds from HUD to help finance a senior citizen's center, acquisition of new housing sites, rehabilitation loans, construction of public facilities, and other eligible activities.

Support continuance of the Community Action Agency's weatherization program and other housing related programs.

Encourage local developers and non-profit sponsors to use HUD-FHA programs to assist construction of affordable housing, particularly for the elderly and those needing various levels of daily care.

Support continuance and local use of housing assistance programs provided by the California Department of Housing and Community Development.

6.5 ACTION PROGRAM

6.51 Policies Implemented Since 1982

Since 1982 the Town has implemented many of the policies outlined in the first Housing Element of the Town. Obviously, some policies have yet to be reality simply because such a short time has elapsed since adoption. Sixteen of the most important of these policies and programs have already been put into legislative or resolution form.

These include:

-discrimination in housing prohibited;
-PID filtration plant support;
-Commercial zoning limited through adopted Zoning Ordinance to expected needs;
-Zoning Ordinance allows mix of housing and commercial uses;
-Density limitations provided for in Zoning Ordinance;
-Sewage Disposal Ordinance allows off-site sewage disposal when property is appropriately incapable of on-site use;
-Lot size and setback requirements are regulated by the Zoning Ordinance;
-Mobile Homes are allowed in all residentially zoned land;
-Mobile Home Parks are allowed with use permit in all residentially zoned property;
-Rest home facilities approved for greater care of elderly;
-Paid inspection of health and safety housing problems;
-Design of new housing units required to be energy saving;
-Home occupations are allowed;
-Developers are required to pay new facilities and for increased services;
-Tree Ordinance requires permit for tree removal even in new development;
-Landscape Ordinance requires review of planting and irrigation for new multiple-family projects;
-Natural colors and materials are encouraged in development;
-Structural height is limited to two stories;
-Housing complex for elderly approved;

6.52 8-Year Quantified Objectives

The preceding discussion on Paradise's housing resources and constraints indicates that the Town can accomplish much toward meeting housing needs and solving problems. However, the community apparently does not have the financial resources, experience, nor ability to fulfill all those needs. The major reason for this relative deficiency is the unlimited nature of the growth pressures and new housing "needs". No single community can hope to satisfy more than a small part of the needs of metropolitan area residents seeking a small town's tranquility, security, and lifestyle.

The major local limitations to solving Paradise's identified housing needs can be classified as environmental, economic, and experiential. Environmental constraints include the limited land area available for development on the Paradise Ridge, less than ideal soil conditions and local desires to preserve trees and maintain low densities. The most significant economic constraints to Town action are limited tax revenues, the high cost of road improvements, sewers and other public facilities, and inadequate funding of most state and federal assistance programs. Experiential limitations are the political management problems associated with the newness of the Town government and the relative inexperience and reluctance in assisting the production of housing.

Under these circumstances, the Town cannot attempt to meet all present and future housing needs in any period. State guidelines recognize this reality by asking local governments to establish the maximum number of housing units that can be constructed, rehabilitated, and conserved over a eight year span.

The population forecasts presented earlier, along with reasonable assumptions of other factors, permit an estimate of the total number of new housing units needed in a seven year period. The growth rate during the planning period 1985-1992 should be near a yearly average of 2.5%. Assuming a household size of 2.41 and that the proportion of vacant or available units will not substantially change, then the projections of Table 23 appear valid.

Table VI-23

NEW HOUSING NEEDS: 1985-1992

	1985	1992	Change
Projected Population	24,251	28,831	+4,580 (18.9%)
Estimated Units	10,063	11,963	+1,900 (18.9%)

The Town estimates that 2,195 new dwellings will be needed for expected new population. This is a reflection of slower growth (2.5%/year) caused by more stringent requirements from the Health Department regarding sewage disposal. These new requirements increase the necessary leach field area approximately 25 to 30 percent more than the previously used regulations. The more significant concerns here are the types and densities of needed units and the amount and location of land required. Because of continuing trends toward higher proportions of manufactured housing and small clustered units, the new housing needs for 1984-1992 will probably be for the following breakdown of residential construction types:

Single Family Units	65% of all units
Mobile Homes	25% of all units
Multiple Family Units	10% of all units

These percentages closely reflect the community preferences expressed in local attitude surveys and will most likely remain throughout the planning period. (See Residential Land Use Section)

The amount of land required for projected residential development can be estimated by analysis of existing housing densities. So as not to underestimate the the potential demand for land for building sites, lower end density figures should be used for each type of unit. The figure for mobile homes used in the chart below is an average of mobile home park densities and single lot mobile densities. All density figures reflect gross acreage required, including new streets.

Table VI-24

RESIDENTIAL LAND NEEDS BY 1992

Type of Unit	% of Units	# of Units	Gross Density	Land Needed
Single Family	65%	1,235	2 units/acre	618 ac.
Mobile Homes	10%	190	6 units/acre	32 ac.
Multiple Family	25%	475	4 units/acre	119 ac.
All Units	100%	1,900	2.63 units/acre (weighted aver.)	769 ac.

According to the Land Use Section, the development of the 769 acres needed for housing from 1985 through 1992 would increase the developed residential acreage about 17%. The increase represents 22% of all remaining vacant land in the town and a substantially higher proportion of physically developable land. Development on vacant property since 1982 would increase these percentages to approximately 19% to 25% respectively. The residential land use patterns proposed to satisfy future growth needs is presented fully in the Land Use Section. There should not be any problem in making adequate sites available in Paradise for development for all needed types of housing in the next eight years, but there could be serious land constraints on housing in the long term especially if there is no alternative to on-site sewage disposal.

The new construction needs presented above do not include the number of substandard units which should be either rehabilitated or removed, and replaced. Based on the earlier analysis of the limited available data on the condition and age of housing units in Paradise, the Town estimates that at least 1% of the present housing stock is either not economically feasible to bring up to code standards or will need replacement by 1992. Based on that data and experience in other areas, at least another 10% have need for substantial rehabilitation. Applying these percentages to the total number of existing housing units gives the annual number of units needing replacement or rehabilitation, as follows:

Table VI-25

REHABILITATION/REPLACEMENT NEEDS: 1984-1992

All Units	Units Needing Rehabilitation	Units Needing Replacement
10,604	10% = 1,060 132/year	1% = 106 13/year

Table VI-26
Residential Land Needs By Income Category

Income Level		% of Population	Units Needed
Very Low	(50%/less ahi)	19.5	379
Other Low	(50%-80% ahi)	17.8	346
Moderate	(80%-120% ahi)	21.9	426
Above Moderate	(120+% ahi)	40.8	793
($12,556 average household income--ahi)		100.0	1,944

While the Town must provide for all economic segments of the community, the Town should be particularly sensitive to the needs of those which have a low income level who do not have the choice of housing accommodations as those in higher income brackets.

With the Town's present limited rehabilitation programs, these objectives will be difficult if not impossible to meet. Realistically, the maximum number of housing units which could be rehabilitated and renovated in 1984 through 1992 through any type of Town action or assistance would be about 300 and 50, respectively.

6.52 Eight Year Schedule

The policies proposed earlier for each category of resource-constraint require several very different kinds of action in different time frames. Some of the policies on residential development need to be implemented through the land use plan map and accompanying text adopted with this Plan. These include policies on where mobile homes, mobile home parks and group care homes should be located. Two policies on development needing action very soon are the proposed analysis of certain development requirements and construction standards in policies contained in this Plan. The other policies on development and construction all require some type of ordinance adoption or

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change which should be undertaken within two years of Plan adoption.

The first two policies on financing and transfer costs concern local positions on state and national legislation and will require a continuous monitoring and lobbying on such activities. Prohibiting discrimination is a long-term national and state policy which may be further implemented by local ordinance. Town staff and Council should monitor problems in the area of equal housing opportunities and purpose a local program or ordinance if necessary.

Recommended policies on code enforcement, periodic inspections and demolition should be initiated within six (6) months of Plan adoption as the Town's first serious effort toward conserving and maintaining the existing stock of affordable housing. Policies on support of local programs, legal obligations, and resource conservation are all long range positions taken by the Town which have rather open-ended requirements for action to be taken relatively quickly. Keeping future costs of maintenance and utilities down by requiring energy-efficient design, allowing home occupations, and making developers pay for needed service facilities will require ordinance changes which should be initiated within one year of Plan adoption.

Most of the recommended actions on housing assistance programs should be investigated very soon because of the long lead times needed to prepare applications and programs. The Council should give serious consideration in the next six months to applying for Community Development Block Grant funds. Other recommended activities require either support of legislation or assistance to local developers and programs.

6.53 Public Participation

In order to comply with Section 65583(c) of the Government Code, the Town must provide an opportunity for all economic segments of the community to be involved in the development of this Element.

The review of this Element requires public notification and public hearings before the Planning Commission and the Town Council. Advertisements in the Paradise Post for both hearings were conspicuously placed.